



Maritime Security Council

Effective Integration of Trade & Transportation Industry Sectors Into Global Non-Proliferation Efforts



United States Southern Command
Miami, Florida, USA
April 16, 2012

Good morning. I'd like to thank Brian Finlay and the Stimson Center, the Landau Network Centro Volta, and our host, USSOUTHCOM, for including the Maritime Security Council in this important discussion.

Over the past few years the Maritime Security Council and I have been engaged in representing maritime community interests and concerns on the potential impacts of evolving regulatory requirements for WMD non-proliferation on their operations and business models.

I'm looking forward to sharing some of our insights and program recommendations to you.

Presentation Objective



To discuss a realistic program approach for actively engaging the interlinked segments of the global trade and transportation communities to achieve **FUNCTIONAL** compliance with security imperatives for WMD non-proliferation, and maintain a secure operating environment for global commerce.



3rd International Working Group (IWG) Discussion: Global Partnership (GP) – 2012 and Beyond



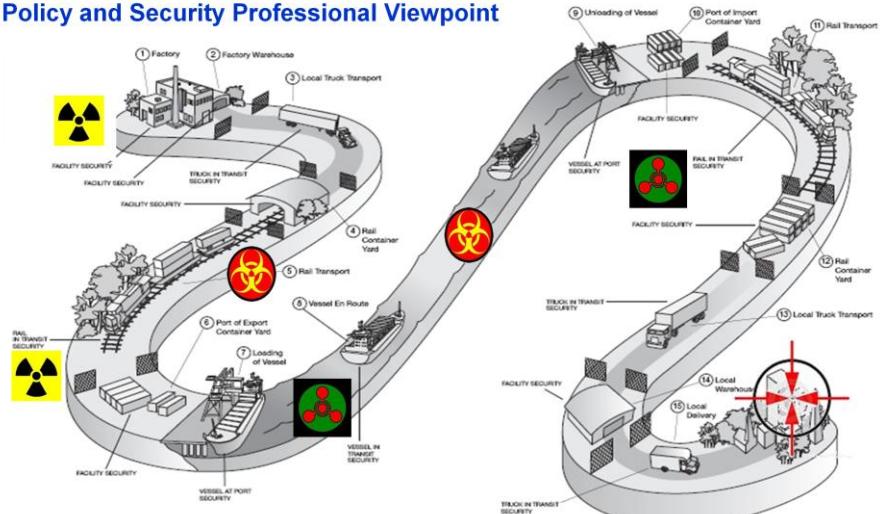
The first observation I would like to share is the absolute criticality of stressing the requirement for **functional** implementation of all compliance programs required of the trade and transportation community.

The second observation is that governments must do a better job of increasing awareness and understanding of the requirement for trade and transportation industry members to implement **effective** measures to ensure the transparency, accountability and security of WMD materials as they move through the global supply chain.

Refer to Deepwater Horizon as an example where technical compliance did not protect the companies from liability resulting from the functional non-compliance with existing regulatory requirements for safety.

Commercial Maritime Operating Environment

Policy and Security Professional Viewpoint



Dictionary of International Trade, 6th Edition

© Copyright 2004, by World Trade Press. All Rights Reserved.

Dictionary of International Trade, 6th Edition

© Copyright 2004, by World Trade Press. All Rights Reserved.



3rd International Working Group (IWG) Discussion: Global Partnership (GP) – 2012 and Beyond

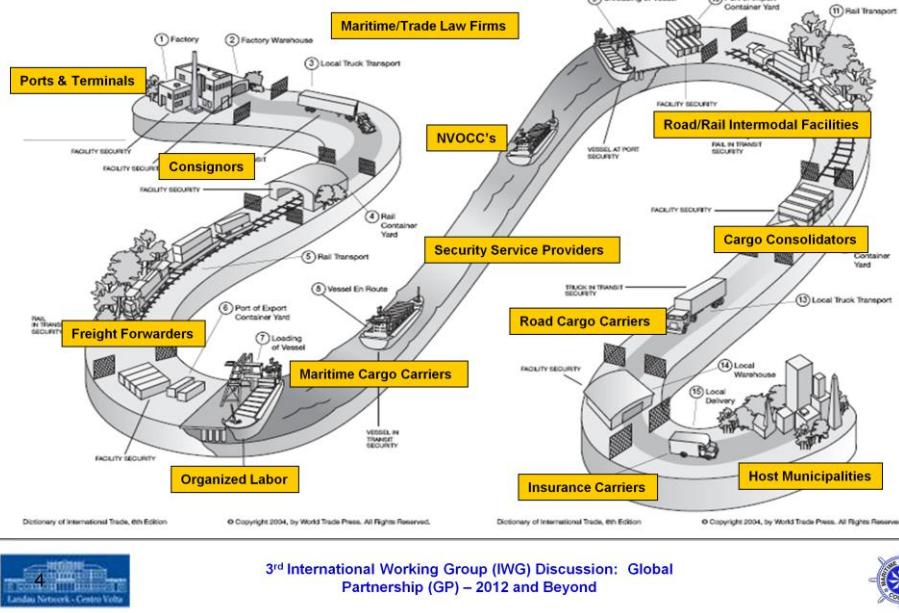


First, let's take a look at a typical maritime mobility corridor so we can better distinguish between policy objectives and operational challenges that may appear to create impediments to the industry achieving the desired objective in a cost and operationally effective manner.

This is what a commercial maritime supply chain looks like through the eyes of trade policy and security professionals.

Commercial Maritime Operating Environment

Trade and Transportation Industry Participants



Dictionary of International Trade, 6th Edition

© Copyright 2004, by World Trade Press. All Rights Reserved.

Dictionary of International Trade, 6th Edition

© Copyright 2004, by World Trade Press. All Rights Reserved.



3rd International Working Group (IWG) Discussion: Global Partnership (GP) – 2012 and Beyond



This is what a commercial maritime supply chain looks like through the eyes of trade and transportation enterprise members.

Commercial maritime enterprise tend to focus on the regulatory instruments, (e.g. ISPS Code, MTSA, C-TPAT), that identify specific security standards and practices with which they must comply or suffer consequences ranging from fines to interruption of service

However, there are many more supporting enterprise members that have a requirement to ensure the integrity of their link within the supply chain, as a failure to do so increases exposure to risk for the entire enterprise system.



Most of you are familiar with some of the regulatory instruments shown here, many of which were not developed until AFTER implementation of the ISPS Code, MTSA, or C-TPAT.

As you might imagine the expanding universe of regulatory requirements for security within the commercial maritime community is cause for concern for its enterprise members, whose general perception is that any additional requirements will have a negative impact on their business operations, costing them time, manpower, and financial resources... all of which will erode their profit margins.

Briefly review each of the identified regulatory instruments, and point out the overlapping requirements that may be consolidated in a comprehensive security compliance program.

Recommended Steps

Recommended steps for overcoming current challenges to achieving functional compliance with the desired objective:

- Extend awareness and understanding of security requirements and consequences to **ALL** applicable elements of the global supply chain community;
- Harmonize compliance requirements into a comprehensive program to simplify and enhance compliance across an evolving universe of regulatory imperatives;
- Develop compliance programs that reinforce the **BUSINESS CASE** for functional compliance with regulatory imperatives.
- Develop and delivery enterprise-level specific programs for awareness **TRAINING AND CERTIFICATION** in non-proliferation policies and practices across **ALL** links in the global supply chain;
- Proactively engage trade and transportation industry organizations and companies in the development of programs **PRIOR** to their implementation.



3rd International Working Group (IWG) Discussion: Global Partnership (GP) – 2012 and Beyond



Here are some of the steps the MSC recommends to enhance the integration of functional non-proliferation measures throughout the commercial maritime and supply chain communities.

Read and comment on each bullet.

Industry Engagement Opportunity



Broward County Port Everglades (PEV) is planning a WMD Full Scale Exercise (FSE) for execution during the 1st quarter of 2013.

This represents an excellent opportunity for a limited number of non-proliferation policy and program personnel to be selected to serve as observers to:

- Achieve better understanding of operational challenges faced by maritime trade and transportation industry community members;
- Achieve better understanding of operational challenges faced by host municipal governments and their supporting law enforcement and emergency service providers;
- Appreciate the value of extending and coordinating WMD training and exercise activities "over the horizon", to supporting enterprise partners;
- Validate inclusion of industry training, drill & exercise program requirements as a line item in non-proliferation agency program budgets.

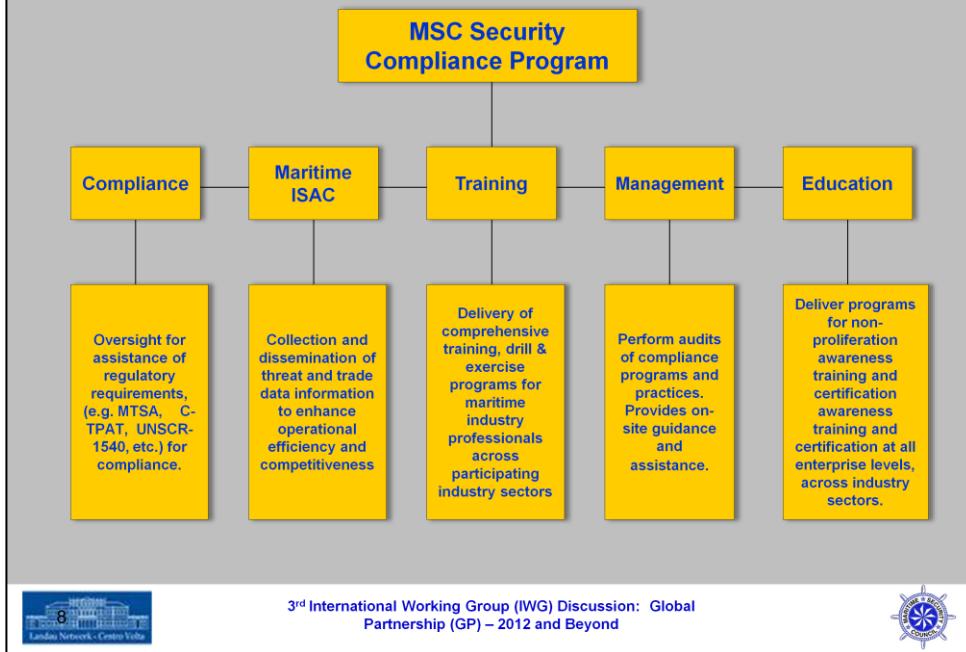
3rd International Working Group (IWG) Discussion: Global Partnership (GP) – 2012 and Beyond



This is a practical example of the last recommendation from the previous page.

Read and comment on each bullet, briefly discuss how PEV, Broward County, and the State of Florida represents a perfect test-bed for the development of WMD non-proliferation training, drill & exercise programs for ultimate worldwide implementation.

MSC Compliance Program



3rd International Working Group (IWG) Discussion: Global Partnership (GP) – 2012 and Beyond



Based on our evaluation of evolving security requirements, the MSC has developed a security compliance program tailored to meet the corresponding requirements across maritime trade and transportation industry sectors.

Explain each of the program boxes and the services associated with each.

Questions & Discussion

Thank you for your interest & attention

Ronald Thomason
Vice President – Strategic Programs
Maritime Security Council
P.O. Box 472627
Charlotte, NC 28247 USA

Office Tel: +1 704.234.2600
Direct Tel: +1 954.942.2707
Fax: +1 704.234.2800
E-mail: rthomason@maritimalsecurity.org
Web: www.maritimalsecurity.org



3rd International Working Group (IWG) Discussion: Global
Partnership (GP) – 2012 and Beyond



Before I turn the panel over to the moderator for facilitated discussion I would again like to thank the event planners for inviting me to participate, on behalf of the Maritime Security Council.